

# STATE OF NEW YORK

235

2023-2024 Regular Sessions

## IN SENATE

(Prefiled)

January 4, 2023

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to minimum wage reimbursement credit

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 38 of the tax law, as added by section 1 of part EE  
2 of chapter 59 of the laws of 2013, is renumbered section 48 and subdivisions (b) and (c) are amended to read as follows:

3 (b) An eligible employer is a corporation (including a New York S  
4 corporation), a sole proprietorship, a limited liability company or a  
5 partnership. An eligible employee is an individual who is (i) employed  
6 by an eligible employer in New York state, (ii) paid at the minimum wage  
7 rate as defined in article nineteen of the labor law during the taxable  
8 year by the eligible employer, (iii) between the ages of sixteen and  
9 nineteen during the period in which he or she is paid at such minimum  
10 wage rate by the eligible employer, and (iv) a student during the period  
11 in which he or she is paid at such minimum wage rate by the taxpayer.

12 For taxable years beginning on and after January first, two thousand  
13 twenty-three, an eligible employee is an individual who is (i) employed  
14 by an eligible employer in New York state, (ii) paid at a rate that does  
15 not exceed the minimum wage rate as defined in article nineteen of the  
16 labor law plus fifty cents during the taxable year by the eligible  
17 employer, (iii) between the ages of sixteen and nineteen during the  
18 period in which he or she is paid at such rate that does not exceed such  
19 minimum wage rate plus fifty cents by the eligible employer, and (iv) a  
20 student during the period in which he or she is paid at such rate that  
21 does not exceed such minimum wage rate plus fifty cents by the taxpayer.  
22

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 (c) For taxable years beginning on or after January first, two thou-  
2 sand fourteen and before January first, two thousand fifteen, the amount  
3 of the credit allowed under this section shall be equal to the product  
4 of the total number of hours worked during the taxable year by eligible  
5 employees for which they were paid at the minimum wage rate as defined  
6 in article nineteen of the labor law and ~~[seventy-five]~~ seventy-five  
7 cents. For taxable years beginning on or after January first, two thou-  
8 sand fifteen and before January first, two thousand sixteen, the amount  
9 of the credit allowed under this section shall be equal to the product  
10 of the total number of hours during the taxable year worked by eligible  
11 employees for which they were paid at such minimum wage rate and one  
12 dollar and thirty-one cents. For taxable years beginning on or after  
13 January first, two thousand sixteen and before January first, two thou-  
14 sand nineteen, the amount of the credit allowed under this section shall  
15 be equal to the product of the total number of hours during the taxable  
16 year worked by eligible employees for which they were paid at such mini-  
17 mum wage rate and one dollar and thirty-five cents. For taxable years  
18 beginning on or after January first, two thousand twenty-three and  
19 before January first, two thousand twenty-six, the amount of the credit  
20 allowed under this section shall be equal to the product of the total  
21 number of hours during the taxable year worked by eligible employees for  
22 which they were paid at a rate that does not exceed such minimum wage  
23 rate plus fifty cents and one dollar and thirty-five cents. Provided,  
24 however, if the federal minimum wage established by federal law pursuant  
25 to 29 U.S.C. section 206 or its successors is increased above eighty-  
26 five percent of the minimum wage in article nineteen of the labor law,  
27 the dollar amounts in this subdivision shall be reduced to the differ-  
28 ence between the minimum wage in article nineteen of the labor law and  
29 the federal minimum wage. Such reduction would take effect on the date  
30 that employers are required to pay such federal minimum wage.  
31 § 2. This act shall take effect immediately and shall apply to taxable  
32 years beginning on and after January 1, 2023.